GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:5360
ANSWERED ON:06.04.2017
Buffer Stock of Cotton
Gopal Dr. K.

Will the Minister of TEXTILES be pleased to state:

(a) whether creating a buffer stock of cotton for exclusive use by a certain sector is wrong as it will not only disturb the market but will also unsettle other sectors of the cotton value chain and if so, the details thereof;

(b) whether the creation of a buffer stock system would require a total investment of about Rs.16,000 crore for procuring the desired 80 lakh bales of cotton and if so, the details thereof;

(c) whether the Cotton Corporation of India has opened around 120 purchase centres across the country even as it has no plans at the moment to procure the fibre; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE FOR TEXTILES
(SHRI AJAY TAMTA)

(a): No, Madam. A small buffer may help in stabilization of Cotton prices, particularly in lean season when arrivals are low. On the other hand, big reserves can distort the market.

(b): No estimate has been done for creation of buffer stock of 80 Lakh bales, which appears to be on higher sides for the purpose of price stabilization.

(c) & (d): No, Madam. Being a nodal agency for undertaking Minimum Support Price (MSP) operation in the Country under administrative control of Ministry of Textiles, Cotton Corporation of India (CCI) remains active in the market since beginning till end with its available infrastructure to meet-out any eventuality to undertake MSP operation. In this endeavor, CCI opened more than 340 procurement centres in all the cotton growing States. However, considering bleak chance for undertaking MSP operation during 2016-17 and also for price stabilization, CCI has started procurement under commercial operation w.e.f. 17th December 2016.

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